



Modern Talking Picture Service

see film

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DEPARTMENT OF JUSTICE
MAY 8 12 07 PM '80

REGISTRATION UNIT
CRIMINAL DIVISION
February 5, 1980

Australian Tourist Commission
1270 Avenue of the Americas
New York, NY 10020

Attention: Mr. Kim Dunstan

In connection with our arranging for showings of your film, "Letters from Colleen," and all films you wish to place with us for distribution in the future, we propose the following terms, which together with the provisions itemized on Page 3, shall constitute the entire agreement between us.

We shall arrange for showings by Television stations and cable systems.

Showings will be limited to audiences in the United States.

We will furnish, at our expense, promotion material for our use in announcing the film and for securing arrangements for its showing.

We will send you an advance notice of each booking. It is understood that we may arrange desirable bookings on short notice that will not allow actual delivery of the advance notice before the playdate.

For each telecast we arrange and serve under the conditions of this agreement, we will bill the Australian Tourist Commission at \$25, discounted to \$22.50 when 10 or more telecasts are certified per month.

You will provide us with 30 16mm color prints of "Letters to Colleen," mounted on approved reels and in round plastic cans.

"Letters to Colleen" will be included in Modern Satellite Network, with 12 transmissions through June 30, 1980. The budget for MSN will be \$4,760.

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February 5, 1980.

Modern Concepts will produce a TV Promotional Package, consisting of a personalized letter to broadcasters, two-color descriptive flyer, business reply card and mailing envelope. The package will be sent, at our expense, to 2800 TV programmers. The budget for this will be \$2,000.

If the foregoing meets with your approval, kindly sign a copy of this agreement below the word "accepted" and return it to us. It will then constitute the agreement between us.

Very truly yours,

MODERN TALKING PICTURE SERVICE, INC.

By *Robert M. Finehout*
Robert M. Finehout, Vice President

ACCEPTED:

Jim Gunter

Manager
Title



Modern Talking
Picture Service

GENERAL TERMS

PRINTS: Prints placed with us shall be supplied FOB our various offices serving the territory within which the prints are to be circulated. Prints may be supplied to a single office for forwarding at a charge of 50¢ per prints plus transportation cost. Prints shall include any media, now in existence, or devised in the future, for the storage and subsequent exhibition of sound moving pictures, including but not limited to photographic film, magnetic tape, disk, etc., and your permission is granted to us to transfer, or cause to be transferred at our expense, and at our option, complete copies of photographic prints to such other media. Distribution and exhibition of such copies will be under the same terms as those governing the distribution and exhibition of photographic prints.

PRINT SHIPMENT: We will ship prints in time to accommodate scheduled bookings. Returned prints will be inspected, cleaned and minor repairs made as necessary. Booking schedules are based on our best knowledge of required print shipping times and on the assumption that borrowers will return prints promptly.

SHOWING REPORTS: We will obtain reports from the organizations which show the prints. These showing reports will be consolidated into a monthly summary report and sent to you together with a statement of shipments scheduled for future dates and shipments made but not yet reported.

PRINT REPAIR: If, during inspection, we find that prints have become worn or damaged so that they will no longer provide satisfactory showings, we will discard those prints. Any other disposition of damaged prints will be at your instruction, and you will reimburse us our out-of-pocket cost for such disposition. Damaged prints stored at your instruction will be subject to a monthly charge of \$0.25 each. We will store and apply without additional charge replacement prints and standard opening and closing sections supplied by you. We will submit quarterly reports of print inventory status and replacement needs.

CASES/REELS: When the shipping cases and reels provided with your prints become damaged or worn so that they no longer properly protect your prints, we will supply replacement cases and reels and will bill you at their current list price. At your option, you may supply cases and there will be a handling and storage charge of \$1.00 for each case provided by you and applied by us. Invoices for such cases supplied by us will be submitted quarterly, and will cover cases supplied during the calendar quarter to the date of the invoice.

LIABILITY: Prints, except copies made at our expense, remain your property. We will be responsible for them during the time they are in our possession and while in transportation originated by us; we will not be responsible for damage or loss by exhibitors or during transportation originated by them.

It is agreed that prints depreciate through normal usage and that for the purpose of insurance or liability these prints will be valued at original cost depreciated at the rate of 30% a year for the first three years, and 10% in the fourth year.

Neither of us shall be liable for loss of prints through or occasioned by an Act of God or the public enemy or by riot, fire, insurrection, strikes, flooding, labor disturbances or by the failure of any transportation company or agency.

We will use our best efforts to ensure that prints will be delivered in good condition and on the date ordered to the organizations requesting them, however, we reserve the right to substitute titles and shall not be liable for incidental or consequential damages due to the damage, destruction, alteration or misdelivery of any print beyond the replacement cost set forth above.

TAXES: In the event that Federal, State or Local statutes impose taxation on us because of our possession of your property, we will have the right to invoice you the net sums of any such taxes paid by us on your property.

ADVERTISING: In connection with advertising, publicity and promotion relating to the showing of your motion picture, we may use such expressions as "A Modern Talking Picture Service Program" or other similar expressions.

PAYMENT: You will pay our invoices for service and materials within thirty (30) days of receipt. Minimum service charges are based on calendar quarters (i.e. January-

March, etc.) and an adjustment will appear on the f invoice of the following quarter if necessary.

**TERMINATION
& CANCELLATION:**

It is understood that booking commitments will be made as much as eleven months ahead of scheduled showing dates.

It is further understood that all booking commitments which have been confirmed to film exhibitors at the time you indicate your intention to terminate distribution of a film, and within seven days thereafter, will be honored and served by us and paid for by you at the full booking rates agreed to herein, under your choice of one of the following options:

Option A - We will continue to serve scheduled bookings, collect show report cards from exhibitors, and submit monthly certification reports and invoices until all bookings are reported or until 18 calendar months after receipt of your notice of termination, whichever occurs first.

Option B - For one calendar month following receipt of your termination notice we will collect show report cards from exhibitors and we will submit our invoice, at regular rates quoted herein, for 85% of all bookings scheduled for dates later than in the month during which your termination notice is received, and for 75% of all other bookings which have not previously been reported and invoiced to you. We shall continue to serve scheduled bookings but we shall be under no obligation to furnish further reports to you and you shall have no further liability with respect to such bookings, other than for extra charges incurred by us at your specific direction.

Option C - Should you find it necessary to have us cancel confirmed bookings for any reason, including withdrawal of scheduled prints at your order, it is agreed that you shall pay us \$2.60 for each booking so cancelled to cover cost of original order processing, except that if you provide an alternate film, to be used in place of the cancelled film, this charge will not apply. This shall not affect your liability for bookings already served up to the time of cancellation; you may elect Option A or B, for payment for such bookings.

Prints of terminated films will be returned to you within 90 days of the time they are no longer needed to serve scheduled bookings (under Option C this would be 90 days from the date of cancellation, under Option A & B the timing would depend on the volume of commitments on hand) unless you direct otherwise. Copies made at our expense and at our option will be destroyed, erased, or otherwise rendered unusable at no cost to you. Prints not returned to you or otherwise disposed of at your direction 90 days after they are no longer needed to serve scheduled bookings will be stored at a cost to you of \$0.30 per print per month. You will reimburse us for any costs we incur in following your disposition instructions.

We will use our best efforts to submit invoices for cases, extra delivery and miscellaneous charges incurred for discontinued films in a timely manner, however, it is understood that such charges may be invoiced to you as late as the end of the calendar quarter during which a film terminates.

Collateral material associated with terminated programs will be stored at a cost to you of \$0.50 per square foot of warehouse space per month.

INDEMNIFICATION:

You shall, at your own cost, indemnify, defend and hold us and our licensees booking and showing your motion picture harmless from any claim or demand which may be made or asserted against us or said licensees by reason of any claim of violation or infringement of the trademark, tradename, copyright, literary, artistic, dramatic, personal, private, civic or property right, or the right of privacy of any individual, firm, corporation or association, and we shall have the right to participate in the defense of any action or actions brought in connection therewith.

**FOREIGN
DISTRIBUTION:**

Prices quoted for distribution outside the United States will be in the currency of the countries within which our service is provided. Payment may be made in U.S. funds at the currency exchange rates in effect at the time of each payment.